

RESOLUTION NO. 5167-13

**A RESOLUTION OF THE CITY OF TUALATIN, OREGON
AUTHORIZING A FULL FAITH AND CREDIT BORROWING
AND RELATED MATTERS.**

The City Council of the City of Tualatin, Oregon, finds as follows:

WHEREAS, the City Council of the City of Tualatin, Washington County, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council determines is needed; and

WHEREAS, the City has identified a need for a new warehouse at the City's Operations Center (the "Project"); and

WHEREAS, the City Council hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390; and

WHEREAS, the City may spend money on the Project (the "Expenditures") before the City issues a borrowing to finance the Project and the rules of the United States Internal Revenue Service require the City to declare its official intent to reimburse itself for amounts that the City will spend before the borrowing is issued in order for the City to be reimbursed for such Expenditures from the proceeds of the borrowing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tualatin, Oregon as follows:

Section 1. Financing Agreement Authorized.

The City is hereby authorized to enter into a financing agreement in an aggregate principal amount of not more than \$1,100,000 (the "Financing Agreement") pursuant to ORS 271.390. Loan proceeds shall be used to finance the Project and to pay costs associated with the Financing Agreement. The Finance Director or the City Manager, or the person designated by the Finance Director or the City Manager (each of whom is referred to herein as a "City Official") are hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing;
- (2) Negotiate, execute and deliver a note to evidence amounts due under the Financing Agreement;
- (3) Select Columbia Bank or another commercial bank or investor with which to negotiate, execute and deliver the Financing Agreement. Subject to the limitations

of this resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve;

(4) Covenant for the benefit of the owner of the Financing Agreement to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

(5) If the United States Congress authorizes federal interest rate subsidies, such as the subsidies that were authorized for "Build America Bonds," and those subsidies reduce the cost of the Financing Agreement, issue the Financing Agreement under these provisions, apply for and receive federal interest rate subsidies and covenant to take any actions necessary to maintain those subsidies;

(6) Designate the borrowing as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;

(7) Appoint and enter into agreements with Hawkins Delafield & Wood LLP as bond counsel and other service providers for the Financing Agreement; and

(8) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 2. Security.

Pursuant to ORS 287A.315, the City hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 3. Declaration of Intent to Reimburse.

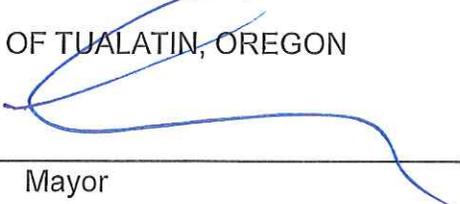
The City hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

Section 4. Effective Date.

This resolution is effective immediately upon its passage.

INTRODUCED AND ADOPTED this 23rd day of September, 2013.

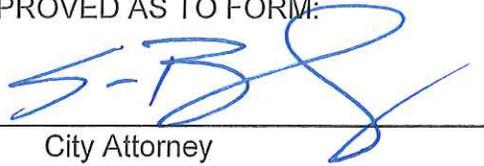
CITY OF TUALATIN, OREGON

By  _____
Mayor

ATTEST:

By  _____
Acting City Recorder

APPROVED AS TO FORM:

By  _____
City Attorney